

Post-Bureaucracy or Post-Public Good?  
New Public Management and the Policy Process Constraints in  
Ontario

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## **Introduction**

Over the past two decades, substantial changes in governance have occurred worldwide producing various implications for the public policy determination process. Novel forms of administrative reorganization, new public management (NPM), have led to many constraints being placed on the functions of governments. Since many of the tenants of NPM are ideologically based, the process driving such reorganizations may be flawed. Though possible that desirable policy outcomes may be produced through the implementation of NPM techniques, governments must recognize that not all services are best delivered to the citizenry through such an approach.

NPM has influenced the actions of all levels of government in Canada, however this paper will pay particular attention to the Ontario experience. Current Members of Provincial Parliament (MPPs) will be surveyed for their views on NPM in order to ascertain the relationship between theories of public administration and the day-to-day experiences of decision makers. In particular, this paper will note that there is arguably a disconnect between academic theories of government and politicians whose day-to-day jobs involve analyzing legislation.

By examining provincial governments prior to the 2003 election, this paper will posit whether the influence of NPM has resulted in bureaucratic restructuring that more effectively provides services to the citizenry. As well, it will question the ways in which government adherence to NPM has altered traditional conceptions of the public good. Essentially, this paper will assert that although in theory many ideas of NPM can be quite desirable and effective, in practice not all services can be best provided to the public when NPM reorganizations occur.

## **NPM: Overview**

New Public Management (NPM) is a dynamic approach adopted by governments to restructure their bureaucracies supposedly in order to better provide services to the citizenry. In Ontario, it is also referred to as Alternative Service Delivery.<sup>1</sup> Similar to how a business functions, proponents of NPM incorporate the free market into the public domain, believing that the private sector can more efficiently produce outcomes desirable to the population. The theory advocates for fewer public resources, more technological reliance, fewer government expenditures and more private involvement, all leading to performance targets that can better serve those utilizing the services – the clients.<sup>2</sup>

In essence, NPM aims to streamline the bureaucracy and spend fewer taxpayer dollars, yet simultaneously provide effective services. That being said, as Thomas notes,

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<sup>1</sup> Ray McLellan, *Alternative Service Delivery in Ontario: The New Public Management* (Toronto: Ontario Legislative Library, 1997).

<sup>2</sup> Eran Vigoda, "From Responsiveness to Collaboration: Governance, Citizens and the Next Generation of Public Administration," *Public Administration Review* 62:5 (2002).

“With only slight exaggeration, it could be argued that new public management was never all that new, it was mainly borrowed. It was never public, it was mainly derived from private sector experience. It was never strictly management, there was always a strong ideological component in the approach”<sup>3</sup>

Thomas’ assertion highlights the ongoing debates within public administration schools over the impartiality and objectiveness of NPM, drawing attention to the resistance by some of contemporary bureaucratic restructuring initiatives.

Clark examines how neoliberalism and public service reform have been intertwined since the 1980s, noting that “the neoliberal orthodoxy can be represented as a generalized belief that the state and its interventions are obstacles to economic and social development.”<sup>4</sup> Though Clark does not specifically call such reforms NPM, he does cite policies of reduced program spending and market involvement in service delivery as integral to the neoliberal agenda, which, as previously noted, are also key principles of NPM. Furthermore, he argues that public service reform can vary, despite its neoliberal basis, changing depending on location and period.<sup>5</sup>

In many ways, neoliberalism and NPM are very much intertwined. As will be explored throughout this paper, the two theories arguably reinforce and support each other, with advocates of both viewing public policies through similar lenses. Clarke explains neoliberals’ perception of government, which in fact is comparable to that of NPM advocates.

“The neoliberal strategy has been consistently hostile to the public realm. It has challenged conceptions of the public interest, striving to replace them by the rule of private interests...(i)t has insisted that the monopoly providers of public services be replaced by efficient suppliers, disciplined by the competitive realities of the market.”<sup>6</sup>

As with any political theories, there are undoubtedly differences between neoliberalism and NPM. However, for the purposes of this paper, the two will be considered as sufficiently similar to warrant analysis.

Baines notes the lack of consensus over how NPM is perceived, an argument that is reinforced by the comments provided by various Members of Provincial Parliament. “Some argue that the goal of these reorganization efforts has been to better favour the requirements of global capital as measures including amalgamations, decentralizations, downsizing, privatization and contracting out alongside calls for greater public accountability, efficiency and lowered expenditures,” Baines states.<sup>7</sup> However, such an

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<sup>3</sup> Paul G. Thomas, *A Canadian Perspective on “the New Public Service”* (Toronto: Commentary at the Annual Conference of the Institute of Public Administration of Canada, 2003), 3.

<sup>4</sup> David Clark, “Neoliberalism and Public Service Reform: Canada in Comparative Perspective,” *Canadian Journal of Political Science* 35:4 (2002), 771.

<sup>5</sup> Clark, 772.

<sup>6</sup> John Clarke, “Dissolving the Public Realm?” (Paper prepared for the public workshop ‘Local Democracy...an Uncertain Future,’ University of North Carolina, 2001), 3.

<sup>7</sup> Donna Baines, “Pro-market, non-market: the dual nature of organizational change in social services delivery,” *Critical Social Policy* 24:1 (2004), 6.

opinion, Baines believes, only reinforces and supports contemporary ‘pro-market’ biases. In other words, as will be repeatedly argued throughout this paper, claims that exalt the benefits of NPM must be viewed through a critical lens, for there is arguably an ideological underpinning to such assertions.

### **NPM: Driving Forces**

Globalization, based around models of free trade and individual liberties, is presented frequently as an inevitable culmination in the economic and political evolution of the world that should be embraced by all.<sup>8</sup> Throughout the 1990s, the “end of history” thesis arose in political and economic debates to define this very phenomenon. As Fukuyama stated in his similarly named book, presenting arguably the theory with the greatest impact on the immediate post-Cold War period, “today...we have trouble imagining a world that is radically better than our own, or a future that is not essentially democratic and capitalist.”<sup>9</sup>

Any sort of dissenting opinion that differs from the neoliberal model is too easily dismissed and ignored; the notion that we have reached the end of ideological battles is believed to be true. In many ways, NPM aptly fits into this construction of the world. This is particularly true of Harris’ Common Sense Revolution, which as Clark argues, is a “clear instance of ideological neoliberalism.”<sup>10</sup> The theory is presented as a necessary template to follow in order for economies to remain ‘competitive’ in today’s globalized world. Therefore, in order to properly understand the operation of NPM, it is necessary to unpack its driving forces.

As Pal notes there are “powerful undercurrents beneath the waves of political turmoil and policy reversal evident in Canada and throughout the industrialized world. They are globalization, shifts in political culture and new ideas about governance and public management. Each of these is multifaceted, of course, and connected intimately to each other.”<sup>11</sup> Arguably, most important among these shifts is globalization, a theory that is routinely debated and analyzed, both by academics and politicians alike. Without overstating its influence, globalization warrants attention in this paper for it has been integral to bureaucratic transformations worldwide.<sup>12</sup>

Pal sees globalization consisting of trade liberalization, increased reliance on technology and the strengthening of international standards.<sup>13</sup> Along with cultural shifts such as general declines in deference, the dominance of individualism and tensions between social fragmentation and cohesion, these various changes across the world have altered the role of government. That being said, as Clarke explains, it is important not to

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<sup>8</sup> Jamie Peck and Adam Tickell, “Neoliberalizing Space,” *Antipode: A Radical Journal of Geography* 34:3 (2002).

<sup>9</sup> Francis Fukuyama, *The End of History and the Last Man* (New York: Avon Books, Inc., 1992), 46.

<sup>10</sup> Clark, 784.

<sup>11</sup> Leslie A. Pal, *Beyond Policy Analysis: Public Issue Management in Turbulent Times* (Toronto: Nelson Thomson Learning, 2001), 45.

<sup>12</sup> Peck and Tickell.

<sup>13</sup> Pal, 45-63.

overemphasize the role of globalization as the sole driving force for contemporary change. For example, despite neoliberalism's influence, Clarke argues that public expenditures continue, economies are not deterministic, but rather are more static and in flux.<sup>14</sup> Essentially, it is important to recognize the influence of globalization on political and economic affairs; however it would be naïve to assume such a phenomenon is solely responsible for the proliferation of post-bureaucratic restructuring projects.

### **NPM: Understanding its Operation**

Though NPM has been adopted by governments around the world, Pal argues there are key principles of the theory that can be often noted in its application. First, NPM advocates for a departure from traditional bureaucratic structures; it views the administration side of government as stiff, cumbersome and rules oriented. Second, NPM questions government involvement in all policy areas; it asks where private companies or non-governmental organizations can perform the tasks better. Third, when NPM recognizes that the government has a role in a given policy, it looks for partners to deliver the services in innovative models, such as public-private partnerships. Fourth, NPM emphasizes clear performance outcomes; it often privileges quantitative results over qualitative conclusions. Finally, NPM seeks to create hybrid bureaucracies, such as the development of arms-length agencies outside the direct control of the executive branch and contracting out particular responsibilities.<sup>15</sup> In order to understand the operation of NPM and situate the theory within contemporary political realities, it will be necessary to unpack the principles enumerated by Pal. In doing so, this paper will also provide examples of the Ontario experience in relation to NPM.

### **NPM: Critical of Traditional Bureaucracies**

Governments adhering to NPM often institute measures to reduce the size of the public service while at the same time maintain high quality services. Frequently, this is a difficult balance to sustain for both politicians and policy makers. In theory, bureaucratic downsizing could reduce taxes and enhance the delivery of services. However, it could prove quite difficult to provide more with fewer resources. Though very possible that government structures are overly bureaucratic and could be improved with organizational enhancements, evaluation of the impacts of such restructuring should be imperative before proceeding with change.

Though Baines concentrates her research on the experiences of Alberta, British Columbia and Nova Scotia with NPM, she offers essentially three conclusions that may prove useful when examining Ontario's interaction with 'post-bureaucratic' policies. First, downsizing leads to fewer job opportunities in public and non-profit organizations, forcing workers to seek employment in the private sector. Second, such outsourcing of jobs results in fewer skilled workers in public and non-profit organizations, ensuring that future workers receive lower wages. Third, insecurity among workers in turn leads to increased demands for further professionalization of credentials, forcing public

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<sup>14</sup> Clarke, 1.

<sup>15</sup> Pal, 193.

employees to lobby for the interests of their jobs rather than the clients they are required to serve.<sup>16</sup> In other words, the public good may be compromised when those who have traditionally defended such interests must now fight for their own job security.

NPM is not a new phenomenon in Ontario. Clark explains how David Peterson's Liberals and Bob Rae's New Democrats both attempted to reform the Ontario public service and implemented some program expenditure reductions.<sup>17</sup> As McLellan notes, "since the 1980s, Westminster-style systems of government have...placed 'a greater emphasis on performance, an increased focus on responsiveness to citizens and accountability for results.' The new paradigm stresses the merits of expenditure restraint..."<sup>18</sup> Furthermore, Bradford agrees that both New Democrat and Progressive Conservative governments of the 1990s experimented with some form of public-private partnership.

As Bradford explains, Rae's New Democrats attempted to reform the development of public policies by involving local communities in the decision-making process, albeit with limited results.<sup>19</sup> The difference under Harris' Conservatives, explains McLellan, is that a centralized policy for all government ministries was developed, as opposed to previous NPM mechanisms being implemented piece-meal in a decentralized manner. As well, Clark asserts that the NDP was on a different track of policy initiatives when a downturn in the economy forced the Rae government to respond with expenditure reductions.<sup>20</sup>

Government restructuring under the NDP government centred on engaging with regular Ontarians for policy direction. "A broad cross-section of societal actors, some prominent in local communities and others occupying representative positions in sectoral associations, were invited to participate in multi-partite task forces to find ways to meet the new economy's challenges..."<sup>21</sup> Despite the Rae government's best efforts, Bradford argues that NPM did not take hold in Ontario during the early 1990s. Vigoda explains that though collaboration with the citizenry may ensure "buy-in" from the public, the process can be quite difficult to manage.<sup>22</sup> In the case of the NDP while in power, although the party's intentions to involve Ontarians may be laudable, such an agenda proved difficult to implement, ultimately producing minimal results. In this light, an examination of Mike Harris' tenure as premier would better illuminate Ontario's experiences with NPM.

Harris' Common Sense Revolution greatly mirrored the NPM approach. The Progressive Conservatives were so politically savvy that they construed their neoliberal agenda as simply being the only rational option available. Clark notes that the

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<sup>16</sup> Baines, 23-24.

<sup>17</sup> Clark (2002), 785.

<sup>18</sup> McLellan, 2.

<sup>19</sup> Neil Bradford, "Public-Private Partnership? Shifting Paradigms of Economic Governance in Ontario," *Canadian Journal of Political Science* 36:5 (2003), 1011.

<sup>20</sup> Clark, 785.

<sup>21</sup> Bradford, 1012.

<sup>22</sup> Vigoda, 529.

“emergence of a doctrinaire party at critical policy junctures and the anti-government character of public opinion” in particular were driving forces behind the PCs policy decisions.<sup>23</sup> As White explains, the party promised to reduce the size of the public service by about 13 000 positions over five years, allow for more business and private involvement, and increase the quality of services by creating a new kind of government.<sup>24</sup> Government publications, such as the 1997 *Building the Ontario Public Service for the Future*, provided frameworks of how the core business functions of ministry would be studied, promoted both internal and external integrations among departments and outside organizations, and advocated for greater technological reliance to allow for innovation and entrepreneurship capabilities to flourish. All ministries had to create plans outlining any services that were non-essential to their functions and delegate their provision through ASD mechanisms<sup>25</sup>.

### **NPM: Questioning Government’s Role**

NPM policies are premised on the notion that the traditional roles and responsibilities of government should be questioned. It is argued that new and innovative service delivery mechanisms could better deliver goods to the citizenry than under previous bureaucratic models. For the purposes of this research investigation, it is important to examine whether such questioning of government functions is undertaken in a fashion that fully ascertains the implications of said decisions.

Carroll argues that government decision making processes are driven by individuals possessing a managerial background, rather than the necessary technical expertise.<sup>26</sup> For example, if top bureaucrats are primarily educated in public administration schools, rather than the specific core duties of the government department in which they work, inevitably their decisions will be influenced by their qualifications and experiences. Too often, Carroll believes, bureaucrats assume similarities between government organizations and private sector companies, are out of touch with the communities intended to benefit from their services, and are overly concerned with the bottom line.<sup>27</sup> Essentially, bureaucrats who view public policies through a particular lens will inevitably make decisions based on their perception of the issues, which can in fact be quite different from what is occurring on the ground.

When questioning the role of government, Meltsner believes that policy makers must be keen to avoid committing the ‘seven deadly sins.’ First, ensure decisions are not influenced by inappropriate goals and beliefs of the contemporary political or intellectual

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<sup>23</sup> Clark 775.

<sup>24</sup> Graham White, “Revolutionary Change in the Ontario Public Service,” in *Government Restructuring and Career public Services*, ed. E. Lindquist (Toronto: The Institute of Public Administration of Canada), 310.

<sup>25</sup> McLellan.

<sup>26</sup> Barbara Wake Carroll, “Politics and Administration: A Trichotomy?” *Governance: An International Journal of Public Administration* 3:4 (1990), 346.

<sup>27</sup> Carroll, 361.

climate.<sup>28</sup> Second, decision-making should not be far removed from the actual operation of the programs. Third, decisions should be undertaken with the policy process in mind, so as to remain timely for example.<sup>29</sup> Fourth, all decisions should not be made before the compiling all the necessary information. Fifth, ensure that any decision is not an overly excessive reaction to a policy problem, but an appropriate response.<sup>30</sup> Sixth, do not simply make decisions for the sake of change alone. Finally, decision makers should be aware of their clients – the politicians.<sup>31</sup>

NPM provides policy makers with a wide array of instruments from privatization, contracting out and partnerships among others. Because the government's goal is providing efficient services while keeping costs low, the private sector is thought to be the perfect match to provide public goods. However, not all services that are traditionally provided by governments are able to be delivered by the free market. For policy makers, it can be a difficult task to decide which public goods can in fact be privately administered. If the government cannot guarantee high quality service as efficiently and cost-effectively, then obviously responsibility for the service should be transferred outside government operations. However, if the good is simply being delegated to the private sector for budgetary reasons, then the quality of the service in question could be greatly diminished.

### **NPM: Seeking Alternative Service Delivery**

As is often the case in politics, any decision can simultaneously involve drawbacks and benefits. Ascertaining the best course of action involves thorough evaluation of the options at hand before proceeding with the policy implementation process. Since NPM takes service delivery responsibilities away from traditional government providers, public resources could theoretically be used to concentrate on other important issues. However, such transferral of services outside the direct control of government ministries could result in the removal of key links in the policy process. Policy makers need to effectively understand the realities of providing services, an important piece of information that may only be realized by those responsible for actually delivering the good.<sup>32</sup>

NPM advocates, since questioning the very involvement of government in public policies, often refer to privatization schemes for the provision of services. Clarke argues that contemporary neoliberal strategies of government restructuring involve at least two forms of privatization. On the one hand, private organizations can be brought on board to perform services previously offered by government. On the other hand, the very responsibility for certain services can be delegated to bodies completely outside the government's purview, such as families. As Clarke states, not only does neoliberalism

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<sup>28</sup> Arnold J. Meltsner, "The Seven Deadly Sins of Policy Analysts," in *Policy Analysts in the Bureaucracy*, ed. Arnold J. Meltsner (University of California Press, 1976), 453.

<sup>29</sup> Meltsner, 454.

<sup>30</sup> Meltsner, 455.

<sup>31</sup> Meltsner, 456.

<sup>32</sup> White, 329.



involve a “shift of activities, resources and the provision of goods and services” from the public to the private realm, but also a shift of social responsibilities, most notably in education and health care.<sup>33</sup>

Bradford explains reasons why governments pursue public-private partnership policies, both of which can be seen in the actions of Bob Rae and Mike Harris as Premiers. Bureaucracies can be streamlined with increased extra-departmental sharing of corporate and program costs, as argued by the provincial Conservatives under Harris. As well, public-private partnerships can promote social inclusion through the participation of diverse communities in the development of public policies, which in turn can encourage local democracy and empower various groups, as believed by Rae’s New Democrats.<sup>34</sup>

Essentially, Bradford notes that governments, whether they are neoliberal or social democratic, will often pursue public-private partnerships, albeit with different goals in mind. For example, the neoliberal Harris rationale for engaging in public-private partnerships was retrenchment of the government and encouragement of economic competition among regions in the province. While for the social democratic Rae, the government’s pursuit of partnerships was more concerned with influencing social learning and innovation among various sectors.<sup>35</sup>

### **NPM: Privileging Clear Results**

Primary emphasis on clear results is a key principle of NPM, for it is assumed that quantitative analysis is the most objective approach to evaluating a policy. Often, such concern is understood to mean achieving the ‘best bang for the buck,’ with finances being the primary benchmark for measuring success. As Clarke states, “the logic of cost competition aims to drive out or subordinate ‘ambiguous’ issues of values, orientations and other micro or macro political choice-making criteria in favour of the rational, transparent and readily calculable ‘bottom line.’ That which cannot be financially represented is ruled inappropriate or irrelevant.”<sup>36</sup>

Gledhill also highlights problems that can arise when clear performance outcomes are emphasized. He explains how workers are forced into insecure and irregular employment, which in turn impacts the public service being provided. Furthermore, Gledhill criticizes the contemporary ‘audit culture’ as one “in which what is really being evaluated is the procedural efficiency of action in terms of (the policy’s) mission rather than its substantive impact on the lives of human beings.”<sup>37</sup>

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<sup>33</sup> Clarke, 3.

<sup>34</sup> Bradford, 1005.

<sup>35</sup> Bradford, 1011.

<sup>36</sup> Clarke, 5.

<sup>37</sup> John Gledhill, “Neoliberalism,” in *A Companion to the Anthropology of Politics*, ed. David Nugent and Joan Vincent (Malden, MA: Blackwell Publishing, 2004), 341.

As Browne and Wildavsky note, evaluation of any policy should be both relevant and utilized, meaning that it is intended to help improve the implementation process.<sup>38</sup> Not only must evaluation be intended for reflective purposes, but it should also be prospective at first and consider how a particular program may function in the future. NPM can often skew this goal if ideological beliefs creep into the functions of the evaluator. Any subsequent findings will not be as useful if the evaluator is simply chosen to give legitimacy to an already implemented policy.

If the government decides to ignore the evaluation of a particular policy due to perhaps the same ideological reasons, then the usefulness of the evaluation will be minimized. It would have no effect on addressing the process of implementation that led to the problem in the first place.<sup>39</sup> In the case of Walkerton, even after Justice Dennis O'Connor, an independent party, stated in his inquiry report how the government's downsizing of the Ministry of Environment was partly to blame for the subsequent problems with the town's water supply, Premier Mike Harris rejected those findings. Although he expressed sorrow for the deaths, Harris asserted "I do not believe that I have ever cut any expenditure, not one penny, recklessly or without thought."<sup>40</sup> In other words, the premier's first reaction was to dismiss the evaluator's findings, rather than reflect on possible policy problems and institute changes accordingly.

Any evaluation inevitably looks at the set goals of a particular policy when studying the outcomes of the policy's implementation. However, these goals can be quite difficult to measure and can vary greatly depending on the service at hand. An evaluator must be aware of looking at the service as either a private or public good. Often, private goods can be quantitatively measured; however public goods are not so easily assessed as quality is arguably of utmost concern to the population.<sup>41</sup> If the bottom line is primary driving factor behind assessing success, then solely using a cost-benefit analysis may demonstrate that the policy is effective when in reality the quality of the service was greatly diminished. A public good is not as easy to evaluate as a private one, but can in fact have far greater implications.

### **NPM: Creating Hybrid Bureaucracies**

Government reorganization is an integral component of NPM reform. Traditional bureaucratic structures are altered with responsibilities for the provision of certain services being delegated to arms length agencies outside the direct command of politicians or to private organizations through contractual agreements. Often such hybrid arrangements allow for clearer lines of accountability in the eyes of the citizenry; however such initiatives are not without their drawbacks.

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<sup>38</sup> Angela Browne and Aaron Wildavsky, "What should Evaluation mean to Implementation?" in *The Policy Cycle*, ed. Judith V. May and Aaron Wildavsky (New York: Sage Publications, 1978), 147.

<sup>39</sup> Browne and Wildavsky.

<sup>40</sup> CBC Online Staff, "Walkerton report blames province, water managers," *CBC News* (18 January 2002). [http://cbc.ca/cgi-bin/templates/view.cgi?news/2002/01/18/walkerton\\_release020118](http://cbc.ca/cgi-bin/templates/view.cgi?news/2002/01/18/walkerton_release020118) [15 May 2006].

<sup>41</sup> Kenneth Kernaghan, Brian Marson and Sandford Borins, *The New Public Organization* (Toronto: The Institute of Public Administration of Canada, 2000), 274.

As previously stated, in the case of internal government restructuring, Bradford notes how during the 1990s both the New Democrats and Progressive Conservatives created hybrid bureaucracies. However, there are key differences between the approaches of the two parties. The NDP aimed to work from the ‘bottom-up’ by developing agencies comprised of members from local community and labour organizations to implement more broadly based policy programs. Conversely, the PCs preferred to engage with private businesses and municipalities in contractual agreements to provide certain services.<sup>42</sup> The difficulties encountered by the Rae government in restructuring the bureaucracy were examined earlier in this paper. Therefore, this section will primarily concentrate on the Harris government’s experience with creating hybrid bureaucracies.

Contracting out, a highly popular instrument of NPM, allows policies to be implemented by a government department or agency entering into agreement with an outside organization for the provision of a good that was once provided internally.<sup>43</sup> Public-private partnerships are different from contracting out in that partnerships often involve private organizations from the initial development of a policy while contracts involve more piece meal outsourcing. Contracting out can, in many cases, allow for cost savings, increased administrative flexibility and more innovative practices all helping to improve the quality of a particular service.<sup>44</sup>

For policy implementers, other factors can arise through reliance on contracting out that could complicate and compromise the effective achievement of desired goals. For example, as with any NPM arrangement, contracting out involves the possible loss of knowledge of delivery mechanisms for the bureaucracy. If problems arise in the future, such as the outside organization going bankrupt or demanding more input into the policy process, recouping any control over the service may be quite difficult. These possible developments must be analyzed before proceeding with this policy instrument, for if contract out is based on budgetary constraints, the quality of the service may be permanently affected.

Arguably, the primary driving force behind the policy decisions of the Harris government expenditure reductions, leading to the development of plans premised on ascertaining what ministries could do with less, rather than what they should in fact be doing regardless of costs. It was assumed that contracting out would be beneficial to Ontarians, without adequate assessment of adverse effects on the public.<sup>45</sup> These implementation flaws led to evaluation problems, which are all too common when adherence to NPM is based upon ideological and political motivations.

NPM encourages public-private partnerships, advocates for frequent dialogue amongst government departments, and aims to effectively communicate with the

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<sup>42</sup> Bradford, 1024.

<sup>43</sup> Paul G. Thomas, “Contracting Out: Policy and Management Issues,” *Canadian Centre for Management Development*, 173.

<sup>44</sup> Thomas, 178.

<sup>45</sup> White, 326-328.

citizenry. When the number of actors involved in the implementation of a policy increases, the evaluation process can be quite difficult. Often an evaluator's role is to find who is responsible for the provision of the good and ultimately who is accountable if problems arise. However, pinpointing the individual or organization that is responsible is no easy task when accountability becomes too slippery.<sup>46</sup>

An analysis of the Walkerton tragedy is important for this research investigation both because of the frequency with which MPPs invoked it as an example of NPM, as well as to highlight the impacts of NPM policies gone astray. For the purposes of unclear accountability, Walkerton aptly demonstrates the problems that can arise. For example, following the tragedy, Premier Mike Harris immediately laid fault with the former NDP government for loosening water standards, while the media chose Stan Koebel, head of the town's Public Utilities Commission, as the individual upon whom to lay blame.<sup>47</sup> Seeing as how no one was willing to accept responsibility, finding the root cause for the deaths of seven people was complicated. Assuring that accountability remains is a hurdle that policy implementers must overcome in order for proper evaluation to occur.

As noted in the Walkerton Inquiry Report, a weakened Ministry of Environment was unable to effectively detect the problem with Walkerton's water supply. Harris' Common Sense Revolution had changed many of the core functions of the department, but assured that only 28% of its former responsibilities were being performed by outside organizations or municipalities. Essentially, privatization of drinking water was not accompanied by a proper regulatory regime that could respond to all occurrences, such as an E-Coli outbreak, in an efficient manner. Under the Progressive Conservatives, numerous public servant positions had been cut in the name of NPM, but the abandonment of key services was not properly addressed.<sup>48</sup>

### **NPM: The View of MPPs**

In order to gauge the views of the MPPs I sent an email (Appendix A) to their offices at Queen's Park which contained a short questionnaire (Appendix B) that they were asked to complete and send back to me. Keeping in mind that Cabinet Members and party leaders would be unlikely to respond to the questionnaire considering their busy schedules, I decided only to request backbench MPPs to participate in the research project. Although ideally in-person interviews would likely be the best method through which to ascertain MPPs' thoughts on NPM, the time constraints involved in completing this research project required that a written questionnaire be relied upon instead. Furthermore, considering the very term *New Public Management* is not often heard in daily discussions at Queen's Park, many MPPs asked for clarification of the subject. In this light, I sent out a subsequent email (Appendix C) that provided a brief overview of the principles of NPM to aid MPPs in completing the questionnaire.

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<sup>46</sup> Thomas, 170.

<sup>47</sup> CBC Online Staff, "Indepth: Inside Walkerton," *CBC News* (20 December 2004). <http://www.cbc.ca/news/background/walkerton/> [15 May 2006].

<sup>48</sup> Clark, 786.

In total, five MPPs completed and returned the questionnaire. While it would be beneficial for this research project if more MPPs had participated, I did receive responses from members of all three political parties in the legislature. Therefore, although the sampling is small, the varied opinions I received are useful in capturing a snapshot of opinions of politicians at Queen's Park on NPM. Furthermore, it is important to note that in my questionnaire I requested that MPPs restrict their discussions to pre-2003. The purpose of this research project is not to gauge MPPs' perception of the current government's tenure, but rather, though distance, to evaluate the actions of previous parties in power. This paper aims to be informative and not simply critical, therefore I attempt to avoid analysis of contemporary political debates.

MPPs were asked four questions in total that were crafted in such a way so as to allow them as much leeway as possible to answer. I aimed to probe the MPPs' own personal views of NPM and therefore attempted to be objective in my questioning. The first question regarding examples of NPM in Ontario yielded such varied responses as hydro, meat inspectors, the Municipal Property Assessment Corporation (MPAC), the Trillium Drug Plan, and the Small Businesses Agency of the Ministry of Economic Development and Trade, among others. However, most commonly cited examples were hospitals, the 407 highway, and Walkerton. As previously explained, due to MPPs' responses and the plethora of information on the tragedy, Walkerton serves as a stark example of what can go wrong with NPM. In this light, it deserved particular attention during the course of this research investigation.

The second question regarding the benefits of NPM also yielded interesting responses from the MPPs. There were positive benefits of NPM noted, such as "quicker turn around on information requests" better communications, costs savings, expertise involvement, and effective outcome indicators. However, three MPPs responded that they have not seen any benefits derived from policies influenced by NPM. Despite the fact that throughout this paper the more negative aspects of NPM were examined does not signify that there are no benefits to be derived from government restructuring. Rather, the examples provided should simply serve as aspects of NPM that deserve greater scrutiny by decision makers so as to ensure the future development of appropriate public policies.

The third question asked about the drawbacks of NPM and once again, the responses varied. There was concern that new bureaucracies could develop outside the purview of government. As well, three MPPs expressed concern over the costs of NPM policies, arguing that in the long-run allowing involvement from the private sector does not actually yield cost effective results. Such responses are contrary to the thoughts of some MPPs that NPM policies produce cost savings. Of course it would depend on the policy in question to determine whether NPM decreased overall expenditures. However, disagreement over costs savings should highlight the lack of consensus surrounding the theory. Finally, in response to question three, four MPPs believed that a key drawback of NPM was a loss of accountability, with the lines of responsibility being unclear to the public.

Finally, the fourth question asked MPPs why they believed governments pursue policies based on NPM principles. Interestingly, the results of MPPs for this question resulted in the most unanimity. In other words, regardless of political leaning, considering MPPs from all parties responded, there was a consensus over the motivating factors for NPM policies. The key disagreement among respondents was simply whether such motivations are grounded in theory or practice. Essentially, all respondents professed that NPM policies are pursued due to the assumption that it allows for cost savings and outside expertise. Where they differed is whether such assumptions were influenced by ideology or evidence.

### **Conclusion**

This paper explored how NPM has influenced government operations in Ontario since the early 1990s. Though the New Democrats instituted some measures that relied on NPM principles, the Progressive Conservatives substantially altered the status quo. Therefore, the bulk of this paper, as well as the responses of the MPPs who participated in this research project, focused on NPM under Mike Harris's two terms as premier.

Overall the responses of the MPPs did provide insight into how politicians view the public administration theory NPM. At first, many did not recognize the terminology, despite the fact they conducted their jobs in 'post-bureaucratic' environments. Once provided further details on the subject, they instantly responded with answers that both confirmed and supported much of what was described throughout this paper. Though only five MPPs responded, the varied opinions they provided demonstrate that ongoing debates within academia are replicated within legislatures.

While difficult to predict how future governments will engage with NPM, there are indications. Gledhill highlights how some politicians now advocate for a 'Third Way' that incorporates principles of NPM yet recognizes that governments must temper the less desirable impacts of such policies. As well, he notes the divergent opinions that exist as to whether such an avenue is based on a healthy civil society or is simply a form of soft neoliberalism.<sup>49</sup> Interestingly, Gledhill argues that the influence of neoliberalism in contemporary society must be accepted in order to subsequently develop alternative policies to government programs that inadequately ensure prosperity for the citizenry.<sup>50</sup>

Thomas argues that despite the prevalence of NPM, the public continues to believe that if more resources were pumped into government programs, service would be improved. Better management is not deemed to be of utmost concern. Furthermore, when public services falter, governments are held accountable in the eyes of the citizenry, as opposed to whatever organization was actually responsible for delivering the good. In other words, argues Thomas, "there is a remarkable persistence (given the

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<sup>49</sup> Gledhill, 334.

<sup>50</sup> Gledhill, 342.

intensity of the neoliberal onslaught over the last three decades) in the belief that serving the public is the government's business."<sup>51</sup>

Ontario's past experiences with NPM demonstrate that governments whether they be social democratic or neoliberal are likely to institute some form of government restructuring. Differences will likely centre on the goals of such endeavours and the processes through which the public policies are implemented. However, ideas such as balanced budgets and efficient engagement with the citizenry are likely to remain and cut across party lines. In other words, the influence of NPM has already taken root at Queen's Park. That being said, debates among politicians are likely to continue and the theory will arguably be tailored in accordance with the political environment of the time.

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<sup>51</sup> Thomas, 8.

**Appendix A**  
**Text of Initial Email Sent to MPPs**

Hello,

My name is Dan O'Brien and I am one of the Legislative Interns here at Queen's Park. As you may be aware, part of the OLIP experience is the intern researching and writing a paper on some aspect of Queen's Park.

I am focusing on how government operations have changed over the past decade, what in public administration terms is called "New Public Management." In particular, I plan to investigate how MPPs view these changes.

In this light, **I've attached a short questionnaire that I was hoping you could complete.** Your answers are intended to be brief and concise. As well, I invite you to feel free in expressing your thoughts, the strictest of confidentiality will be observed. No identifying features will be noted in the paper, such as party affiliation, length in the legislature, sex, etc.

I would very much appreciate if you could take a few minutes to complete the questionnaire. **Ideally, I would like to hear back from members by Thursday, May 4, 2006.**

If you have any questions, feel free to contact me in Andrea Horwath's office at 416-325-2777.

Thanks for your time and I look forward to hearing from you!

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**Appendix B**  
**Text of Questionnaire Sent to MPPs**

New Public Management (NPM) – Novel forms of public administration advocating market-oriented policies in order to enhance cost-efficiency and obtain clear performance outcomes

**What do you see as examples of NPM in Ontario (pre-2003)?**

**What are the benefits of NPM?**

**What are the drawbacks of NPM?**

**Why do governments pursue NPM policies?**

**Appendix C**  
**Text of Subsequent Email Sent to MPPs**

Hello,

In order to provide further clarification on New Public Management (please blame the field of public administration for such dry terminology), please find below key principles of the theory that may aid in completing the previously emailed questionnaire.

**Key Principles of NPM:**

- 1) Critical of traditional bureaucracies as being inflexible, slow, and rules oriented
- 2) Questions government involvement in all policy areas (asks can private sector or NGOs do better?)
- 3) When government has a role in policy, looks for partners to deliver service (ie. Public-Private Partnerships)
- 4) Emphasizes clear performance outcomes (quantitative vs qualitative results)
- 5) Seeks to create hybrid bureaucracies (downsize public service, create arms length agencies)

NPM is also referred to as Alternative Service Delivery (ASD).

Once again, thank you for your participation in this research project. If you have any questions, please don't hesitate to contact me as noted below. Completed questionnaires can be emailed, mailed to 156 Main Legislative Building or faxed to (416) 325-2770.

Thanks!

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